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SUBJECT: (SBU) PM ON DEFENSIVE OVER HEALTHCARE ISSUES (U) SENSITIVE BUT UNCLASSIFIED--NOT FOR INTERNETDISTRIBUTION.

11. (SBU) SUMMARY: Opposition paries attacked PM Lars Loekke Rasmussen on healthcre issues during a January 20 parliamentary hearng, putting him squarely on the defensive. They bame him for hospital job cuts and suspect him of manipulating members of the Public Accounts Committee. The opposition is determined to keep pressure on the PM, while expectations build that he must now articulate his "own agenda" to define his government's policy priorities. END SUMMARY.

OPPOSITION BLAMES PM FOR JOB CUTS

12. (SBU) The center and left opposition parties appear to have chosen health sector issues to push the PM and the Government onto the defensive. The PM was pointedly questioned at length on hospital issues during the so-called "Question Hour" -- a weekly session in Parliament where members can pose questions to ministers -- on January 20. Although managing the budgets for hospital services in Denmark is entirely the responsibility of the country's five regional authorities, the opposition appeared to succeed in pinning some of the blame on the PM for hospital lay-offs in some regions.

OPPOSITION ASKING: INTERFERENCE WITH LEGISLATIVE BRANCH?

- 13. (SBU) The PM was summoned to appear before parliament's Finance Committee on January 21 to respond to questions about a report released June 17, 2009, by the Auditor General. That report concluded that Rasmussen, while serving as Minister for Health in 2006, failed to use properly his authority to lower the prices demanded by private hospitals for surgery carried out for the public hospitals. The Auditor General's report left the Folketing-appointed and traditionally non-partisan Public Accounts Committee divided for the first time in 17 years; the representatives of the two Government parties the Liberals and the Conservatives— dissented from the conclusions. (NOTE: Just as the Ombudsman is the Danish democracy's watchdog against abuse of government power, the Public Accounts Committee is considered an equally important cornerstone of Danish democracy as the principal watchdog against the misuse of government funds.)
- 14. (SBU) The PM opened the hearing by announcing he had nothing to add to previous responses given to similar questions about the report on several occasions since last June. He was quickly challenged and asked to explain an e-mail exchange showing that two high-level civil servants in the PM's Office were aware on June 16 (the day before the Auditor General's report was released) that the two government parties' representatives on the committee would dissent on adopting the report. The opposition claimed that the e-mail was evidence that not only had the PM's Office been given advance notice of the report's conclusions of a report prepared by the Auditor General on behalf of parliament, but that the two dissenting committee members had also been persuaded to do so by the PM's Office. This would represent an unprecedented executive branch interference with the work of the legislative branch and of a traditionally consensus-driven committee.

15. (SBU) During the four hours of questioning on this and other issues related to the June report, which was broadcast live, the PM became increasingly frustrated. During questioning by the media after the hearing, he appeared uncomfortable and unable to provide a clear answer as to whether he had been informed in advance of the Public Accounts Committee members' dissent.

(SBU) EXPECT MORE PARTISAN SNIPING

16. (SBU) COMMENT: The political momentum is with the opposition at the moment. The Liberals and the Conservatives appear deeply divided on the need for welfare reform, and the Danish People's Party (on whose support they depend, though not an official part of the Government) continues to press the PM to present his own agenda and show where he wants to take the country, not simply rely on the programs he inherited from the previous Prime Minister. For now, the opposition parties are succeeding in putting the PM on the defensive and making him appear to have a hard time controlling his temper. The PM will try to regain the initiative later this week when he hosts a three-day seminar on the status of Danish public schools, but the opposition is likely to keep finding ways to chip away at him, including on the private hospitals issue. However, they risk overdoing it: Danish voters do not like to see their political leaders humiliated.

FULTON